



Governor's Solar Advisory Task Force
Minutes

Date: Thursday, February 28, 2013

Time: 2:00 p.m. - 4:00 p.m.

Location: 1700 W. Washington, Phoenix, AZ 85007
State Capitol Executive Tower, Governor's 2nd Floor Conference Room

Co-Chairs: Leisa Brug, Director, Governor's Office of Energy Policy; Glenn Hamer, President/CEO, Arizona Chamber of Commerce & Industry

Members Present: Greg Bernosky, APS; John "Jack" Blair, Sulphur Springs Valley Electric Cooperative, Inc; Matthew Brinkman, Burns & Mc Donnell; Leisa Brug, Governor's Office of Energy Policy; Fran Del Fosse, Snell & Wilmer LLP Law Offices; Charles B. Duckworth, SRP; Lane Garrett, ULG Energy Solutions, Inc.; Patrick James Graham, the Nature Conservancy; Glen Hamer, Arizona Chamber of Commerce & Industry; Herb Hayden, Southwest Solar; Lon Huber, SUNTECH; David Hutchens, Tucson Electric Power; Michael L. Neary, ARISEIA Arizona Chapter Solar Energy Industries ASSN; Michael Patterson, Polsinelli Shughart, PC; Court Rich, Rose Law Group; David Rosenberg, EnviroMission, Inc.; and Robert Wanless, M+W Group.

Members Absent: Kate Maracas, ABENGOA SOLAR (not sure where to put her); David Martin, Associated General Contractors; Craig Robb, Zions Bank; George M. Seitts, Rose Law Group, pc; and Lauri Woodall, URS

Guests: Blaine Miller, GOEP; Trish Ekenberg, GOEP; Kim Molina, GOEP; Amanda Ormond, Ormond Group; Maren Mahoney, ASU; Janice Parker, EUIT; Susan Kolbe, Kolbe Connect Consulting; Matt Den, Southwest Gas; Vanessa Hich, ASU; Maria Baier, Sonoran Institute; Michelle De Blasi, Greenberg Traurig; Lane Cowger, BLM; Stan ?, ACC; Carolyn Donnelly, Western ?; Chris Davey, AVM; Ian Calkins, CSCG; ? Gorden-Wheat, GES; Miranda Cash, Kimley Horn; Don Willie, Kimley Horn; Gwen Andrews, Au – Awthum Tash; Shelly Hayes, Au-Awthun Tash; Bud Annan, ASU; Mike Harnedy, EE; Joe Downs, Merrill Lynch; Bennett Curry, ACA; Brittney Kautmann, AZ Chamber; Richard Proctor, COP; Audrey Colletti, Western Area Power Administration

1. Call to Order

The meeting was called to order at 2:07pm.

2. Approval of Minutes

The minutes from the November 29, 2012 meeting were approved unanimously without any changes.

3. Introductions – new and remaining members

Co-Chair Leisa Brug welcomed new members Greg Bernosky, Matt Brinkman, Lane Garrett, Lon Huber, David Martin, and Michael Patterson. She mentioned that Maria Baier would be joining as a new member at the next meeting.

4. Overview of 2012 Recommendations

Co-Chair Leisa Brug recapped the items covered in the 2012 Recommendations report completed by the Task Force in December 2012. The floor was opened for any comments regarding the work completed by the subcommittees. Michael Neary asked if there were any updates on legislation, for example PACE? He commented that AriSEA began the process and got a hearing for informational purposes. Leisa Brug commented that it was a great stride for Arizona. Michael Neary brought up a meeting that discussed getting sponsorship for the bill much earlier in the year and that there was a recent meeting held that discussed this issue. Leisa Brug pointed out that the finance and transmission sections were completed in the 2012 Recommendations, but the group decided there was much more to work on for the finance component, so it will carry on into 2013.

5. Discuss 2013 Next Steps

Co-Chair Leisa Brug reviewed the Next Steps from the 2012 Recommendations. Topics described were the Master Energy Plan that is already in progress, the Utility-scale Demand Study, and the Solar Economic Forecast which will possibly be considered through ongoing efforts of the Finance Subcommittee. Co-Chair Glenn Hamer stated he wasn't sure if the Solar Economic Forecast group belonged under any of the subcommittees listed but that it could be a separate effort. Leisa Brug stated that subcommittees would be created to work on these subjects and that things change so group should remain flexible. An example was provided: What will things be like in Arizona with less renewable incentives, or none? It was mentioned that there are institutions wanting to come into the Arizona market and that the Economic Forecast is needed. It was suggested that the group work with the Chambers to come up with something that can promote and quantify all of the numbers not only for the Commerce Authority to have fresh data to attract new business, but also to inform stakeholders. Court Rich stated the single most important thing in the solar industry is to discuss net metering. Lane Garrett stated he felt Arizona does not currently have a robust solar industry when it comes to small businesses. Net metering is essential for the industry; studies have said net metering has possible benefits to all players including utilities. He suggested possibly having an independent group study it like ASU or U of A? He noted that Arizona had approximately one dozen solar companies at the beginning of 2000. Then that number went up to 300-500 companies. Currently that number is back to fewer than 100 companies. Herb Hayden noted what the Governor's initiative was. What is it that makes Arizona the Solar State? Manufacturers are going out of business, and 3M is saying their customers are going out of business. Leisa Brug: The focus for the Governor for solar has always stemmed from the economics of it and the recovery, bringing construction workers back when the housing market fell, and it has been a friend to our state. The research and development aspect of it and education and workforce training. Part of the focus has been how do we keep this moving forward creating revenue and jobs? This is a diverse group that can have

these conversations. How do we have these new topics folded into the groups' efforts. Herb Hayden suggested it is useful to look at inherent conflicts such as utilities meeting their goals and then backing off from the work since they have completed the requirement. Glenn Hamer stated when you move something through the legislative process different opinions will be heard. I like this group where we can have those discussions where we can find agreement and then we will move forward. The Solar Task Force has done a great job of finding those areas of work. Lon Huber stated the utilities can give an outlook for where demand is coming from since they already provide this information to the ACC annually. The incentives were recently pulled for commercial rooftop solar. Maybe the group can look at how to fill the void. Brad Albert suggested there may be some conflict with how this group interacts and gets involved in the ACC process and with jurisdictions. Since the Governor says she wants jobs, an assessment of how to receive federal funds and spend them is important. He stated he thought that research and development is the best 'bang for the buck'. Franc Del Fosse mentioned that the Task Force can produce education and information that people will then be able to use to make some decisions. Leisa Brug stated this group was put together to educate the Governor on issues regarding solar and to make recommendations on those things. Court Rich mentioned these things are in the Executive Order establishing the Task Force so he feels the net metering issues falls into the items this group has been charged with doing. Michael Neary stated that over 11 states have done 'value of solar' studies and all have been positive. He stated that it seems to fall under the Economic Forecast area.

- Form subcommittees

The Finance Subcommittee: Franc Del Fosse, Greg Bernosky, Lane Garrett, Lon Huber, Michael Neary, Craig Robb, Rob Wanless

Solar Economic Forecast: Court Rich, Greg Bernosky, Jack Blair, Charles Duckworth, Glenn Hamer, Lon Huber, Michael Neary, Michael Patterson

Utility-scale Demand Study: Greg Bernosky, Matt Brinkman, Franc Del Fosse, Patrick Graham, Lon Huber, David Hutchens, Kate Maracas, Rob Wanless

Permitting: David Rosenberg, Kate Maracas, Laurie Woodall

6. SunShot update

Trisha Ekenberg: US Department of Energy granted \$709,000 to streamline costs associated with solar permitting. Our office is working with jurisdictions around the state. We were granted an extension until June 30 to complete this segment of the project. City of Phoenix hosted a workshop on streamlining a standard plan review for rooftop installations. ASU Global Institute of Sustainability hosted a Solar Financing Workshop discussed Solar Phoenix 1 and 2 overview of the Arizona Governor's Solar Energy Task Force White Paper, Community Approaches and PACE Financing. On February 14, 2014 we submitted our market assessment which was collected from ten participating jurisdictions. Arizona had shown a 16% overall improvement, and the community with the lowest starting point had a 26% improvement. For SunShot 2 we are applying as part of the Southwest Solar Consortium. Partners include the state of Nevada, the OEP and NASEO. We will work to expand the Rooftop Solar Challenge successes in Nevada and Arizona. Blaine Miller added that our office would appreciate if organizations are able to provide a Letter of Support for this application process. Brad Albert requested a form letter be sent out for the Letter of Support. Bud Annan asked if this project has helped to reduce the cost of installations. Blaine Miller responded that it has allowed contractors to get their projects done more quickly which reduces the costs.

7. Master Energy Plan (MEP) Overview

Co-Chair Leisa Brug provided an overview of the Master Energy Plan. She stated that the last one was published in 1990. This year's was established by Executive Order in January, as Part of the Governor's "Four Corners" document, on page three. The Governor's "Four Corners" document is available on her website. It falls under state government operations reform. This document will provide an overview of the current state of energy in Arizona, as well as a 10 year projection, and a 20 year outlook. The four work groups and their purposes were described. It will contain overviews of the current state of the projects. This does not have anything to do with creating a policy agenda; it just needs to be done. This will be a document to use as a reference on what is the energy mix in our state. There will be a specific page for the MEP on our OEP webpage www.azenergy.gov where you can find agendas and minutes. Members were selected from 60 resumes; only 40 will be chosen. She stated she won't know until they are finalized by the Boards and Commissions office.

8. Comments/Announcements

- Discussion of upcoming solar efforts & events

APS is holding a series of conferences. The first workshop will be held Thursday 3/7/2013. Other dates and information can be found at <http://solarfuturearizona.com> as well as notes from the first forum. There will be six workshops total. Next week will be an emphasis on rate-making.

It was mentioned that in relation to the ACC changes, QSI was eliminated at APS and many people feel that it is very important, and without it there will be a big gap in training. AriSEIA will possibly be trying to pick up the QSI program so that contractors are qualified.

Rob Wanless and Franc Del Fosse will be speaking at the Green Tech Media conference.

9. Public Comments

10. Adjournment

The meeting was adjourned at 3:40pm.

###